



## DEPARTMENT OF THE TREASURY

### Agency Information Collection Activities; Submission for OMB Review; Comment

#### Request; U.S. Business Income Tax Return

**AGENCY:** Departmental Offices, Department of the Treasury.

**ACTION:** Notice of information collection; request for comment.

**SUMMARY:** The Internal Revenue Service, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995 (PRA). The IRS is soliciting comments on forms used by business entity taxpayers.

**DATES:** Comments should be received on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER] to be assured of consideration.

**ADDRESSES:** Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice to [www.reginfo.gov/public/do/PRAMain](http://www.reginfo.gov/public/do/PRAMain). Find this particular information collection by selecting "Currently under 30-day Review - Open for Public Comments" or by using the search function.

**FOR FURTHER INFORMATION CONTACT:** Copies of the submissions may be obtained from Melody Braswell by e-mailing [PRA@treasury.gov](mailto:PRA@treasury.gov), calling (202) 622-1035, or viewing the entire information collection request at [www.reginfo.gov](http://www.reginfo.gov).

#### SUPPLEMENTARY INFORMATION:

##### Internal Revenue Service (IRS)

*Title:* U.S. Business Income Tax Return.

*OMB Number:* 1545-0123.

*Form Numbers:* Forms 1065, 1066, 1120, 1120–C, 1120–F, 1120–H, 1120–ND, 1120–S, 1120–SF, 1120–FSC, 1120–L, 1120–PC, 1120–REIT, 1120–RIC, 1120–POL and all attachments to these forms.

*Abstract:* These forms are used by businesses to report their income tax liability.

*Current Actions:* There have been changes in regulatory guidance related to various forms approved under this approval package during the past year. There have been additions and removals of forms included in this approval package. It is anticipated that these changes will have an impact on the overall burden and cost estimates requested for this approval package. This approval package is being submitted for renewal purposes.

*Type of Review:* Revision of currently approved collections.

*Affected Public:* Corporations, Partnerships and Pass-Through Entities.

*Estimated Number of Respondents:* 13,300,000.

*Estimated Time (Hours):* 920,000,000.

*Estimated Time per Respondent (Hours):* 35.

*Total Monetized Time:* \$54,743,000,000.

*Total Estimated Out-of-Pocket Costs:* \$66,717,000,000.

*Total Monetized Burden:* \$121,460,000,000.

**Note:**

Total Monetized Burden = Total Out-of-Pocket Costs + Total Annual Monetized Time.

**Note:**

Amounts below are estimates for Fiscal Year (FY) 2024. Reported time and cost burdens are national averages and do not necessarily reflect a “typical case.” Most taxpayers experience lower than average burden, with taxpayer burden varying considerably by taxpayer type. Detail may not add due to rounding.

	FY2024			
	FY23	Program Change due to Adjustment	Program Change due to New Legislation	Program Change due to Agency
Number of Taxpayers	12,500,000	800,000	0	0
Burden in Hours	952,000,000	(32,000,000)	1,000,000	0
Burden in Monetized Hours	52,736,000,000	1,950,000,000	57,000,000	0
Out-of-Pocket Costs	\$59,487,000,000	\$7,165,000,000	\$65,000,000	0
Total Monetized Burden*	\$112,223,000,000	\$9,115,000,000	\$122,000,000	0

Source: IRS:RAAS:KDA (12-1-23)

\*Total monetized burden = Monetized hours + Out-of-pocket costs

**Note:** Reported time and cost burdens are national averages and do not necessarily reflect a “typical” case. Most taxpayers experience lower than average burden, with taxpayer burden varying considerably by taxpayer type. Detail may not add due to rounding.

Table 1 – Taxpayer Burden for Entities Taxed As Partnerships				
Primary Form Filed or Type of Taxpayer	Total Number of Returns (in millions)	Average Time (hrs.)	Average Out-of-Pocket Cost	Average Monetized Burden
All Partnerships	5.3	60	\$5,000	\$8,700
Small	4.9	50	\$3,200	\$5,200
Large*	0.4	200	\$27,800	\$50,800
Forms 1065, 1066, and all attachments				

Table 2 – Taxpayer Burden for Entities Taxed As Taxable Corporations				
Primary Form Filed or Type of Taxpayer	Total Number of Returns (in millions)	Average Time (hrs.)	Average Out-of-Pocket Cost	Average Monetized Burden
All Taxable Corporations	2.1	105	\$6,700	\$14,900
Small	2.0	55	\$3,600	\$6,200
Large*	0.1	830	\$53,800	\$149,000
Forms 1120, 1120-C, 1120-F, 1120-H, 1120-ND, 1120-SF, 1120-FSC, 1120-L, 1120-PC, 1120-POL and all attachments				

Table 3 – Taxpayer Burden for Entities Taxed As Pass-Through Corporations				
Primary Form Filed or Type of Taxpayer	Total Number of Returns (in millions)	Average Time (hrs.)	Average Out-of-Pocket Cost	Average Monetized Burden
All Pass-through Corporations	5.8	65	\$4,400	\$7,500
Small	5.7	60	\$3,800	\$6,400
Large*	0.1	295	\$37,700	\$71,800
Forms 1120-REIT, 1120-RIC, 1120-S and all attachments				

Source: IRS: RAAS:KDA:TBL (12-1-23)

\*A large business is defined as one having end-of-year assets greater than \$10 million. Total filers counts may not equal the burden total estimates table due to rounding.

<b>Table 1A – Taxpayer Burden for Taxable Corporations on Form 1120</b>			
Total Positive Income	Average Time (hrs.)	Average Out-of-Pocket Costs	Average Monetized Burden
1. < 100k	42	1,330	1,987
2. 100k to 1mil	63	4,323	6,916
3. 1mil to 10mil	113	12,359	24,573
4. 10mil to 100mil	546	43,055	105,788
5. > 100mil	4,398	220,425	725,848
<b>Table 2A – Taxpayer Burden for Pass-through Corporations on Form 1120S</b>			
Total Positive Income	Average Time (hrs.)	Average Out-of-Pocket Costs	Average Monetized Burden
1. < 100k	52	1,564	2,338
2. 100k to 1mil	59	3,814	6,015
3. 1mil to 10mil	79	9,595	17,797
4. 10mil to 100mil	287	36,698	69,606
5. > 100mil	1,200	148,905	286,533
<b>Table 3A – Taxpayer Burden for Partnerships on Form 1065</b>			
Total Positive Income	Average Time (hrs.)	Average Out-of-Pocket Costs	Average Monetized Burden
1. < 100k	45	1,627	2,530
2. 100k to 1mil	56	4,601	7,501
3. 1mil to 10mil	93	12,960	23,196
4. 10mil to 100mil	327	46,258	83,805
5. > 100mil	1,447	190,307	356,260

Source: IRS: RAAS: KDA:TBL (12-1-23)

Detail may not add to total due to rounding.

*Authority: 44 U.S.C. 3501 et seq.*

**Melody Braswell,**

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